

Fiscal Note

Fiscal Services Division



HF 2148 – Motor Vehicle License Plates (LSB1764HV)

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Fiscal Note Version – Revised from (3/10/2015 HF 540 Fiscal Note)

Description

HF 2148 reduces the number of license plates provided to owners of motor vehicles from two to one. Vehicle owners are required to place a single plate on the rear of the vehicle. Changes are effective on July 1, 2016. Tractor trucks and motorcycles are not impacted by this Bill.

Background

Currently, two license plates are produced for each motor vehicle registered. Owners are required to display these plates on the front and rear of the vehicle. Registered vehicles model years 1948 and older may display a single registration plate (Iowa Code section [321.37](#)). License plate production costs are provided for in Iowa Code section [312.2](#)(3), but are not directly associated with fees deposited to the Road Use Tax Fund (RUTF). Beginning in FY 2013, the Department of Transportation (DOT) began reissuing plates older than 10 years. As a result, plate production spiked in FY 2013 and FY 2014 before returning to more normal levels in FY 2015.

Assumptions

The cost to produce license plates varies annually. In FY 2016, two standard plates cost approximately \$3.90 to produce. Calculations are based on FY 2016 costs. The DOT estimates that producing one plate will decrease production costs by 28.0% or \$1.09. This fiscal note assumes that plate production will be 573,000, which matches the historical average excluding FY 2013 and FY 2014.

Plates Issued Per Year

FY 2010	517,000
FY 2011	532,000
FY 2012	594,000
FY 2013	1,038,000
FY 2014	797,000
FY 2015	647,000

Fiscal Impact

HF 2148 is estimated to reduce license plate production costs by \$632,000 per year. This will reduce transfers from the RUTF to cover production expenses by \$632,000 each fiscal year beginning in FY 2017. In future expected peak years, FY 2023 and FY 2024, production costs may decline more sharply due to increased plate issuance.

Sources

Iowa DOT
Iowa Prison Industries

/s/ Holly M. Lyons

February 4, 2016

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
